

Technical Guide for Special Education Cost Documentation



August 2008



**Special Education Finance
(802) 828-5119**

Technical Guide for Special Education Cost Documentation

Table of Contents

	Page
I. Staff Documentation Requirements for State Funding	1
A. Staff Required to Have Staff Documentation	1
B. Staff Documentation Forms for School Year Services	2
C. Staff Documentation for Extended Year Services	3
D. Special Education Administrative Staff Employed at SU Level	3
E. Medicaid Claims Processing Not Considered Special Education Administration	3
II. Core Staff Rule	4
A. Core Staff Allows Flexible Use of Special Education Staff	4
B. Limits to Staff That Can be Designated as Core Staff	5
C. Limits to Core Staff Use	5
D. Core Staff Documentation	6
E. Core Staff Designation	7
III. Time Study Documentation for Staff	9
A. Time Frame for Time Studies	9
B. Completing Time Studies	10
C. Discussion of Activities	11
D. Caseload List	12
E. Explanations	12
IV. Initial Review of Time Studies	12
A. Initial Review for Missing Information	13
B. Adding Missing Information	13
C. Optional Verifications	14
V. Calculating Allowable Portion of Staff Time Based on Documentation	14
A. Time Worked by Employee	14
B. Review of Time Study to Determine Allowable Core Staff Time	15
C. Calculating Core Staff FTE	16
D. Review of Non-Core Staff Time to Determine What is Allowable	17
E. Audit Guidelines for Time Study Review	18
F. Other Provisions for Determining Allowable Time	20
G. Disallowable Time Calculated	25
H. Calculation of Allowable Salary and Benefits and Adjusting Transactions	26
VI. Review of Core Staff Documentation and Calculation of Allowable Cost	26
A. Preparation and Review of Core Staff Documentation	26
B. Review of Core Staff Documentation and Calculating Allowable Time	28
C. Calculation of Allowable Salary and Benefits	29
VII. On-Going Staff Documentation	32
A. Completing the On-Going Staff Documentation Form	32
B. Review of On-Going Documentation Form and Calculating Allowable Cost	33

VIII. Retention of Staff Documentation Materials for State Funding	35
IX. Staff and Other Cost for Special Education Programs	35
A. Determining Allowable Cost for a Special Education Program	36
B. Determining Student Days for a Special Education Program	36
C. Calculating the Allowable Percentage for a Special Education Program Cost	37
D. Calculating the Allowable Percentage for the Special Education Program Cost	37
X. Invoices Charged as Special Education Expenditures	38
A. Basic Invoice Requirements	38
B. Requirements for Invoices for Contracted Services	39
C. Review of Invoices for Contracted Services	40
D. Requirements for Invoices for Tuition and Excess Costs	40
E. Verification of Special Education Tuition and Excess Cost Bills	42
F. Requirements for Other Invoices	42
XI. Special Education and Excess Cost Revenue from Other School Districts	43
XII. Staff Documentation Requirements for Federal Funds	44
A. Federal Requirements	44
B. Cost Objectives for Special Education	45
C. Certifications	48
D. Personal Activity Reports	51
E. Charging Costs to Federal Awards	52
F. Retention of Staff Documentation and Accounting Records for Federal Grants	52
<u>Sample Completed Forms</u>	<u>Page</u>
1) Core Staff Designation	8
2) Employee – Time Study	23
3) Core Staff Documentation	30
4) Employee On-Going Documentation	34
5) Federal Time Certification for Staff	50
6) Employee Personnel Activity Report/Time Sheet	51
<u>Tables</u>	
1) Calculation of Time Worked	15
2) Criteria for Review of Core Staff Time	15
3) Calculation of Core Staff FTE	16
4) Criteria for Review of Non-Core Staff Time	17
5) Calculation of Disallowed Time	25
6) Calculation of % of Disallowed Time	25
7) % of Week Spent on Special Education Work	33
8) % Allowed for Special Education Programs	37
9) Special Education Cost Objectives	47

Technical Guide for Special Education Cost Documentation

I. Staff Documentation Requirements for State Funding

VT Board of Education Rule 2366.2 defines what costs are allowable for State funding formula reimbursement as special education expenditures for **K-12 resident students**. A large portion of special education expenditures are staff costs. This includes instructional staff, related service staff and administrative staff. For allowable costs, the rules generally consider staff cost allowable “for the time they carry out special education responsibilities.” As many schools hire staff to do more than one function, or they end up performing multiple functions, it is necessary to document what portion of time meets the allowable cost rules as being “for time they carry out special education responsibilities.” Carrying out special education responsibilities does not include Educational Support System work; salaries and benefits of staff performing ESS work are only allowed on a limited basis using core staff time or under the small group rule.

Sections I through VII outline a process for school districts to use in order to claim allowable special education costs as defined by the State Board Rule. It is necessary that school districts set up a system to ensure that a staff person’s salary and benefits are appropriately charged to the funding sources that match the various functions that he or she performs. This involves tracking the functions the staff are actually performing and charging their salary and benefits accordingly.

A. Staff Required to Have Staff Documentation

Staff documentation is required for all staff whose salary and benefits are reported as eligible K-12 costs on the Special Education Expenditure Reports. Staff documentation must be prepared by the staff person. The documentation is used to calculate the amount of salary and benefits charged as eligible cost and must be retained to document the claim for reimbursement. Staff documentation must be maintained for the following types of staff providing K-12 special education services:

1. Special education teachers and program aides,
2. Individual aides to students,
3. Speech/language pathologists and speech aides,
4. Occupational Therapists and Certified Occupational Therapy Assistants,
5. Physical Therapists,

6. Other professionals performing special education duties with appropriate credentials including Adaptive Physical Education Teachers, Behavior Specialists and Psychologists,
7. Building-based special education administrators and
8. Staff contracted through Success Beyond Six contracts or other contracts unless they either provide detailed invoices or have contracts for serving an individual student.

If the school district uses contracted staff (hired under separate service agreements) for K-12 special education functions, then staff documentation is required for the contracted staff **only** if their bills do not provide that information on an **on-going** basis. Detailed invoices are preferred for contracted staff. A detailed invoice would include for each date: a brief description of the service, the amount of time spent providing the service, the student being served and the cost. If the contracted staff person is working strictly with one student and the contract clearly identifies the student, then the invoices would just need to show the actual dates of service performed under the contract and any other information needed to calculate the amount to be paid. See Section X for more detail.

B. Staff Documentation Forms for School Year Services

The [basic staff documentation forms](#) for school year services are:

- a core staff designation list,
- two-week time studies for special education staff (except those who are 100% core staff) with their caseload list showing all the students served and each student's type of plan (IEP, 504, EST or other) that requires the service being provided,
- sample weekly schedules for core staff (who are 100% core staff) with their caseload list of students and each student's type of plan (IEP, 504, EST or other) that requires the service being provided, and
- on-going documentation for staff who only periodically provide special education services or whose work or caseload varies significantly over the year.

Staff documentation is usually a time study which documents what the staff person was **actually** doing during a two-week time period. Staff documentation may be in the form of a sample weekly schedule for staff designated as 100% core staff. *Technically, if a staff person is designated core staff for only part of their work schedule, they could document part of their schedule using the core staff documentation process and the rest with the two-week time studies.*

However, if the time split between core and non-core is not clearly defined, then the school should have the staff member complete time studies to document his/her whole work schedule and mark the specific blocks on the time studies that the person is designated as core.

The third option is to do on-going time documentation for staff that only occasionally perform special education responsibilities. The on-going staff documentation is also recommended for staff such as psychologists whose activities and the students with whom they work vary considerably over the course of the school year.

C. Staff Documentation for Extended Year Services

For summer or extended year services, documentation normally consists of a separate contract showing the specific duties and either the estimated amount of time or maximum amount of time that each person is authorized to work. Also, the employees should submit time sheets detailing the number of hours actually worked each day with their signature. If the contract does not identify the specific students being served, it should be noted on the time sheet or as an attachment to the contract. If the employee is hired to perform more than one type of duty, the time sheet should show the hours for each of the services being performed. The person responsible for supervising their work should approve the time sheet.

D. Special Education Administration Staff Employed at Supervisory Union Level

For special education administration staff hired at the supervisory union level, the job description is used as the basis for determining allocation of time allowed for State funding reimbursement. The job descriptions for the special education administration staff should be kept on file. **This does not eliminate the documentation requirements for Federal funding.**

E. Medicaid Claims Processing Not Considered Special Education Administration

The time that special education staff spends submitting Medicaid claims is not considered a special education responsibility. It is considered a Medicaid administration function and the reasonable costs of administering the Medicaid claims process can be charged to the Medicaid reinvestment funds granted to the supervisory union pursuant to 16 V.S.A. § 2959a (e). The time that staff spends documenting the services provided to document the Medicaid claims is an allowable formula cost as long as the amount of time is minimal (30 minutes per week). See Section V. E. for more information.

II. Core Staff Rule

In FY-94, VT Board of Education Rule 2366.2.1 was amended to include the core staff provision. The change was to encourage schools to implement Act 230. One of the basic concepts under Act 230 was that school districts should not have to use the cumbersome special education process to provide services to students needing only a small amount of services. The argument was that it would be more cost effective to just serve them without going through the special education evaluation and IEP process. The flexibility was created through core staff to serve students requiring services on their IEPs, 504 plans or EST plans.

VBE Rule 2366.2.1 currently reads as follows:

- (a) The core staff level shall be established by the Commissioner for each school district. The full-time equivalent number of licensed special education teachers and special education program aides employed for providing mainstream special education services during school years 1990-1991 and 1991-1992, shall be utilized to determine each school district's core level staff.
- (b) For the salaries and benefits of the core staff to qualify as allowable costs, the staff must be providing: special education services; supplementary aids and services pursuant to Section 504 of the Rehabilitation Act; direct services to students in need of classroom support as determined by the Educational Support Team; or consultation services to meet the needs of students eligible for special education services, Section 504 services or educational support services.

The Commissioner established the core staff levels for each school district based on the full-time equivalent (FTE) number of licensed special education professionals and special education program aides employed for providing mainstream special education services during school years 1990-1991 and 1991-1992. The rule does not allow for changing the allocations originally established. The only changes that the department has allowed are reassignment of staff within the supervisory union if the provision of specific special education services is moved from one entity to another or between supervisory unions when the supervisory union boundaries changed since FY-94.

A. Core Staff Allows Flexible Use of Special Education Staff

Prior to the core staff rule change, the K-12 eligible cost rules only allowed the time special education staff spent performing special education duties to be charged to special education. Act 230 encouraged school districts to serve students outside of special education when possible and required districts to establish an Educational Support System. However, for students no longer

eligible for special education, the school districts lost reimbursement on services provided. In order to not penalize school districts for following the direction set by Act 230, the core staff rule was adopted to allow a limited number of special education staff to have flexibility in the students they served without decreasing the school district's special education reimbursement.

The flexibility is limited by the FTE established as well as the students that can be served and still have costs reimbursed as special education costs. **The flexibility to serve non-special education students is limited to services required by individual students' 504 or EST plans.**

Core staff time can be used to provide services to three groups of K-12 students:

- 1) Students receiving services in accordance with their IEPs,
- 2) Students receiving services required by their 504 Plans, and
- 3) Students receiving services in accordance with their EST plans.

Core staff can serve these categories of students either individually or in groups. The school district is expected to keep copies of the students' plans. For EST plans, the minutes of the meeting where the services were decided is sufficient if a separate plan was not prepared. Core staff is also allowed to perform related administrative work including special education evaluations and a reasonable amount of EST meeting time. The EST meeting guideline is two hours per week – see Section IV. E. for more detail.

B. Limits to Staff That Can Be Designated As Core Staff

The State Board Rule 2366.2.1 concerning core staff relates to K-12 instructional staff which was meant to include special education teachers, speech/language pathologists and the aides that assist them in providing services. Core staff is limited to instructional staff and can not be used for non-instructional staff such as Occupational Therapists, Physical Therapists, psychologists, behavioral specialists, or special education administrative or clerical staff. Core staff designation can not be applied to contractual staff except if the contract is with an individual and the FTE can be determined, such as a contract with an individual SLP for his/her professional services.

C. Limits to Core Staff Use

There are a number of ways that core staff **can not** be used:

1. *Core staff time **can not** be used to provide **preschool** special education services.*

The core staff rule is one of the eligible cost rules for the special education funding formula which only covers kindergarten through 12th grade services. Therefore, core staff can only be used for serving kindergarten through 12th grade students. Core staff assigned

to special education staff providing preschool services will not make the preschool costs formula eligible. The only exception is for transition for Essential Early Education (EEE) students who will be entering kindergarten. The time that special educators who provide kindergarten services spend in transition meetings and IEP meetings for students who will be entering kindergarten is an allowable K-12 cost even without core staff time being assigned.

2. *Core staff time **can not** be used to provide special class instruction in a self-contained or separate day program (also known as alternative programs).*

The core staff rule is designed to cover mainstream special educators and does not extend to providing a student's basic education for their whole school day or a significant portion of that day. Therefore, core staff designation can not be assigned to staff providing instructional services in a self-contained or separate day program.

3. *Core staff time **can not** be used to provide services to students who do not have one of the three types of plans covered by the rule - IEPs, 504 plans or EST plans.*

The flexibility allowed to core staff is limited to serving combinations of students requiring services based on their IEPs, 504 plans or EST plans. The 504 and EST categories were the groups of students considered as needing additional services when the core staff rules were adopted. **It does not allow for serving students who have no plan.** It is allowable to designate time that special educators spend attending EST or 504 meetings as core staff time as long as it is a reasonable amount of time.

4. *Core staff time **can not** be used to perform general duties or teach a whole class.*

Core staff time can only be used for serving combinations of students requiring services based on their IEPs, 504 plans or EST plans. Time designated as core staff time can not be used for performing general lunch, recess or other types of general duties. Also core staff time can not be used for providing instruction for general education classes.

D. Core Staff Documentation

The required [documentation](#) for core staff consists of:

- A list of professionals and aides designated as core staff for the year including the core staff FTE for each.
- For each staff person designated as core staff for 100% of their time worked, the following can be used instead of the two-week time studies:
 - A sample weekly schedule which reflects how time is used for each period of the school day or service period **and**
 - A caseload listing showing all the students that are served by the staff member during the school year and whether the services being provided are required by the student's IEP, 504 plan, EST plan or some other reason.

- Staff that are designated as core staff for only part of their time worked should use the time study documentation process. The specific blocks of time on the time studies that are designated core staff time and make up the core staff FTE should be indicated by highlighting, color coding or any other method that is clearly visible. It is the school district's responsibility to designate the specific time blocks being considered core staff and this must be done during the school district's review process.

E. Core Staff Designation

The core staff designation is a listing of the specific staff to whom the school district or supervisory union has assigned core staff time for the school year. Each school district or supervisory union to which core staff has been allocated, must document their assignment of core staff with a [Core Staff Designation Form](#). This form lists the name of each staff person designated as core staff for some part of their time, the full-time equivalent of core staff assigned to them, and whether they are a professional or an aide (i.e., non-professional). The core staff assigned to individual staff members can not total more than the core staff allocation for that specific school district or supervisory union. The Core Staff Designation Form can be prepared at any time during the school year but must be on file with other documentation materials used as backup for the final Special Education Expenditure Report for that year. A sample completed form is on the following page.

Assignment of core staff FTEs is done by the person responsible for managing the special education budget. Although the assignment of core staff time can be done at any time during the year, it is probably best to have a general plan on the assignments at the beginning of the year and do the final calculation once the time studies have been prepared and reviewed. One reason for a general plan is the need to know which type of staff documentation a person will be required to do – a sample weekly schedule for a staff member designated as 100% core staff or a two-week time study for all other staff. **The FTE designated is the maximum portion of the employee's time that can be considered core staff during the year. So if the staff member was performing 42% core staff work during the first time study week and 45% during the second week, then they need to be designated as a .45 core staff person for the year.** Once the designation of core staff time has been completed, it should be recorded on the Core Staff Designation Form and signed by the person responsible for special education fiscal management.

Core Staff Designation			
For School Year <u>2007 - 2008</u>			
For School District: City School District			
The following is the list of staff members hired by this school district and designated as core staff for the FTE indicated for this school year. Staff members are listed by full-time equivalency (FTE) such as 1.0 meaning 100% for a full-time employee; 0.6 for 60% of a full-time employee; 0.5 to cover all of the work time of an employee working half-time (50%).			
Name	Position	FTE Designated as Core Staff	
		FTE for Prof.	FTE for Aides
Ashley Crawford	Special Educator	0.75	
Martha Franklin	Resource Room Teacher	0.5	
Jane Jones	Consulting Teacher	1.0	
Peter Parker	Special Educator	0.25	
Steve Rogers	Speech/Language Path.	0.5	
Nina Thurman	Special Educator	1.0	
Bill Barrett	Instructional Assistant		-
Anita Blake	Instructional Assistant		0.2
Jessica Drew	Instructional Assistant		-
Jen Grunwald	Instructional Assistant		0.5
Harold Hogan	Instructional Assistant		-
Wanda Maximov	Instructional Assistant		-
Nancy Nicholby	Instructional Assistant		0.3
Pepper Potts	Instructional Assistant		-
Katherine Pryde	Instructional Assistant		0.25
Tara Richards	Speech Assistant		0.25
Sue Storm	Instructional Assistant		0.5
Wade Wilson	Instructional Assistant		-
Total FTE's Designated (not to exceed Core Staff allocation established by the Vermont Dept. of Education)		4.00	2.00
I verify that the above is the staff that are designated as core staff for the school year.			
Signed: <i>Betty Ross</i>		Date: 5/30/2008	

III. Time Study Documentation for Staff

The documentation for special education staff not designated as 100% core staff consists of:

- A time study for two weeks, selected to be representative of the school year, completed by the employee. The time study should show what the employee was actually doing during each school period or service block for ten days and
- A caseload listing showing all the students that were being served by the staff member and whether the services being provided were required by the student's IEP, 504 plan, EST plan or other reason.

For the staff members designated as core staff for part of their time, the time studies must indicate the specific school periods or service blocks which make up the core staff FTE assigned to the staff member. The core staff blocks must be indicated directly on the time study using highlighting, solid lines or some other clearly visible means. This marking of core staff time is done after the time study is completed by the employee. The FTE designated as core staff is the maximum portion of the employee's time that can be considered core staff during the year. No changes will be allowed to time designated as core staff after the time studies are provided to the auditors. Core staff must be designated as specific blocks of the time studies during the district's review.

A. Time Frame for Time Studies

Time studies should be completed for two full weeks. The two weeks selected can be two consecutive weeks or one can be in the fall and another one in the spring. The two weeks selected should be typical school weeks. This means that time studies should be planned so as to avoid times when unusual activities are taking place such as assessment testing, the beginning of the school year, holidays or the end of the school year. The two weeks are used as representative weeks and it is assumed that what happens during those two weeks happens in the same proportion for the remaining weeks in the school year.

If a specific person is not performing their normal duties during any day during the time study period, then they should not use that day as part of the time study. Some examples would be if the staff person took a day off due to illness or any other leave, if the staff member attended a training session instead of performing their normal duties, or if there was a snow day or an

unusual school event that disrupted the normal schedule. In these instances, the employee should instead document the same day of the following week. So, if the employee was out sick on Thursday of the fall time study week, then they should document the following Thursday to complete their fall time study.

The requirement is a two-week (ten day) time study but the school district can elect to use a longer period for their time studies. If a longer period is used, then the amount allowed should be based on whatever period is used.

B. Completing Time Studies

1. Forms – It is recommended that school districts use the [forms provided by the Department of Education](#). School districts may use their own version as long as it provides all of the same information. The top of the form must indicate the school year, employee's name, position and school district as well as the week that the time study covers. The specific dates need to be entered for each day of the week as do the beginning and ending times of each of the periods. The periods should cover the employee's required work time. For professionals, the time study should document their required work time under their contract. For paraprofessionals, the documentation should be for their paid work time. The only expected gaps on the time study documentation are the time between periods. However, if a staff member has a specific responsibility for time between periods, they may document that on their time studies.

2. Method - The preferred method of completing a time study is for the employee to write the information required, on a blank form, with a pen. From an auditor's viewpoint, the clearest documentation that the time study was done by the employee is if it is in his/her own hand writing. The Department will allow computer generated forms but may need to verify that the process used by the school district maintained the integrity of the information from the employee. The Department has found cases when a clerical staff member entered time study information for special education staff and a lot of the detailed information was removed. So any electronic process for recording time study information must be done by the employee and the information must be printed out and signed by the employee soon after the time study period has been completed.

3. Required Information - For each time block, the staff member must indicate the activity in which he/she is engaged and indicate which students are being served if applicable. If a staff member is providing instruction or assistance in a subject matter area, the activity can be listed using the name of the subject such as “math” or “social studies.” If a staff member is doing something else, a brief description of the activity needs to be listed. All of the students (usually by their initials) being served or to which the activity relates need to be indicated for each block. The following shows a sample-completed block:

	Monday <i>11/03/08</i>
Period 1 Starting at <i>7:45</i> Ending at <i>8:25</i>	<i>Reading</i> <i>A.B., C.D. & E.F.</i>

C. Discussion of Activities

For a time study, the activity needs to be specific if it is anything other than teaching a subject. Unlike a sample weekly schedule which shows what is typically being done, **the time study shows what specifically was being done during that time period.** Therefore the activity should be specific such as special education evaluation, initiating annual IEP process, reviewing student progress, planning instruction, grading papers, etc. instead of using general terms such as “case management.” Also the time study should reference the specific student or students for these activities. If the activity was contacting parents, again the specific students should be noted. If the staff person is meeting with another staff member, the staff person’s full name and the purpose of the meeting such as “meeting with aide Zelda Young re: J.S.’s math instruction” should be noted instead of just indicating “meeting with Z.Y.”

Also if a student is receiving assistance from a paraprofessional, the activity listed should be the subject or activity with which the paraprofessional is assisting the student. Therefore, if a student has a one-to-one assistant for the full day, the time study would show the academic area as well as stating one-to-one assistant such as “1:1 assistance – English – J.S.”

It is important that the activity be specific so that it is clear to a person who picks up the time study. One example is lunch. In general, it is assumed that “lunch” means the time that an employee is allowed to eat his/her lunch. So if the activity is lunchroom supervision, the

description needs to be more specific such as “lunch duty.” If the activity is providing one-on-one assistance to student J.S., then it should state “lunch J.S.” in the case where it was required by an individual student’s IEP.

It is also important not to use language that is specific to a particular school. A school district may find it useful to develop a list of abbreviations for activities to use on their time studies. If abbreviations are used, the list along with what they stand for should be attached to the time study. It is impossible for the auditors to know what abbreviations mean without the information being provided.

D. Caseload List

The staff member’s caseload list must be provided and is on the back of the [forms recommended by the Department](#). The list should include all students that the staff member serves during the school year. The information required is the student’s name and ID number and an indication as to whether the services being provided to the student are based on the student’s IEP, 504 plan, EST plan or for some other reason. If the service being performed is part of a special education evaluation, place a check in the “Other” column and add a notation indicating “special education evaluation.” If no explanation is given for students with a check in the “Other” column, it will be assumed that they are a regular education student with no plan.

E. Explanations

A space is provided at the bottom of the time study form to give additional information on any blocks of time which may need further explanation. For example, if for the first period of the school day, the usual group is three students receiving IEP services and two students receiving EST services but on Monday one of the special education students is absent, you would want to explain the normal composition of the group so that it falls under the small group rule. The information should be specific and indicate the student by initial (or name) who was absent. It might say something like “group consists of A.B., C.D., E.F., G.H. and I.F. – A.B. was absent on Monday.”

IV. Initial Review of Time Studies

The time studies prepared by special education staff members must be reviewed during the school year to make sure that all the necessary information is provided. It is important to do it

soon after the time study period as it is difficult for staff to remember specifics a year or more later when the auditors might be reviewing the information. The following lists a set of suggested steps for reviewing time studies.

A. Initial Review for Missing Information

The initial review should determine if all the information needed is on the time study. The following is a list of common information missing:

1. Time covered – does the time study cover the employee’s work day for the 10 total days?
2. Missing time – if the beginning and ending time for periods are not correctly entered, there may be blocks of time missing. If period 1 is shown as ending at 9:10 but period 2 is not shown as starting until 9:35, it is likely an error and the time study needs to be corrected to show the complete school day. The exception is that employees are not expected to document the time between classes.
3. Missing activities/subjects – each block needs to show an activity or the subject being taught, if the activity is direct instruction.
4. Missing students – each block which relates to serving students should include an indication of students served. Initials are most often used to indicate students.
5. Caseload list incomplete – each student listed on the front of the time study should be listed on the back of the form with an indication as to whether the services being provided are required by the student’s IEP, 504 plan or EST plan.
6. PreSchool students – as the eligible cost rules relate to services for K-12 students, you may also want staff to indicate which, if any, of the students that they serve are preschool students as it will make a difference during the time study review process.

B. Adding Missing Information

When the time study has been reviewed, the time study should be returned to the employee with a request to add the missing information. It is preferable to have an employee add information to his/her own time study. The statement above the signature still applies confirming that the information is accurate.

If the employee is unavailable to add the information, the employee’s supervisor may add the missing information. The additions should be added in a way that it is clear that they were

provided by a different person by using a different color pen or other method. The person adding the information should sign below the employee's signature.

C. Optional Verifications

Some school districts or supervisory unions request that staff take additional steps that help with the final review of the time studies. Some of these include:

1. Having staff color code the students listed in the time blocks of the time studies based on whether the service is provided pursuant to an IEP, EST plan, 504 plan or regular education (no plan) allowing for easier review to determine blocks disallowed and core staff time;
2. Having case managers attach copies of current IEPs for the students that they case manage so that the specific IEP services can be easily verified;
3. Verify that all professionals are licensed special educators for the grades they work with or are appropriately qualified if an educator's license is not required for their position.

V. Calculating Allowable Portion of Staff Time Based on Documentation

The purpose of recording the work that each special education staff person does, is to determine what portion of his/her salary and benefits can be reported as K-12 special education eligible cost. The time studies need to be reviewed and used to calculate the portion of each employee's salary and benefits that are eligible K-12 costs on the final Special Education Expenditure Report for the year.

A. Time Worked by the Employee

To determine what portion of a person's salary is allowable, the first step is to determine the amount of time worked for the period covered by the time study. This should include the time from the beginning to the end of each day of the employee's normal schedule excluding time between periods and time used for allowable employee breaks such as lunch breaks. This calculates the amount of actual time on task and all calculations for % allowed and core staff are based on the amount of work time.

For the sample time study, the employee works from 8:15 to 2:30 (6 hours and 15 minutes) with a 15-minute lunch break and a total of 40 minutes attributed to breaks between periods. The time worked is calculated as 5 hours and 20 minutes or 320 minutes per day of "work" time. For the week shown on the sample time study, the work time totaled 1,600 minutes. This is calculated

for each of the two weeks used for the time study period as the base to determine what portion of the employee's salary and benefits are allowable.

Time Worked Calculation:

Day of Time Study	Time from Beginning to End of Work Day	Less Lunch & Break Time	Less Time Between Periods	Work Time for Day
Monday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Tuesday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Wednesday	6 hours, 15 minutes	25 minutes	30 minutes	320 minutes
Thursday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Friday	6 hours, 15 minutes	15 minutes	40 minutes	320 minutes
Total for Week				1600 minutes

For this employee, the core staff time and % allowed or disallowed are based on 1,600 minutes of work time for this week.

B. Reviewing Time to Determine What is Allowable Core Staff Time

The next step is to designate the specific blocks of time that will be considered core staff time.

The flexibility that core staff allows is to provide students' services required by their 504 or EST Plans in addition to providing IEP services.

The following is the criteria for blocks of time designated as Core Staff:

Students Being Served in Blocks Designated as Core Staff Time	Portion Considered Special Education Eligible
K-12 students -all receiving IEP services – either individually or in groups	100% allowable (regardless of whether core staff time assigned)
K-12 students - all receiving 504 services – either individually or in groups	100% allowable
K-12 students – all receiving EST services – either individually or in groups	100% allowable
Groups of K-12 students all receiving services based on a IEP, 504 or EST plan	100% allowable
Groups of K-12 students including students receiving IEP, 504 or EST services and other students without plans	% allowable is calculated based on # of students receiving IEP, 504, and EST services divided by total # in the group
K-12 students receiving services but not in accordance with IEP, 504 Plan or EST Plan – either individually or in groups	Disallowed
<i>Note: the above does not apply to special class programs</i>	

In the sample time study, the blocks designated as core staff time during the district review included period 3 which involved serving one group of students, all receiving services required by their EST or 504 Plans. The other period covered throughout the week was period 6 which involved serving another group of students, all receiving services based on one of the three types of plans, but that would not qualify under the small group rule for non-core staff time. The last block of time designated as core staff time was a block on Wednesday – Period 2 which was used for preparation work for the instructional periods designated as core staff.

On the time study sample, all of the blocks designated as core staff time are 100% eligible as they related to providing services to the K-12 students required by their IEP, 504 Plan or EST Plan. Therefore all the time designated as core staff time is allowable.

C. Calculating Core Staff FTE

The core staff FTE is calculated after the specific blocks that will be considered core staff have been designated. Although core staff time can be used to cover services required by IEPs, 504 plans and EST plans, it is usually used to cover non-IEP service blocks that would not be considered eligible for special education funding unless they were designated as core staff time.

The blocks that represent core staff time must be designated on the time study as core staff time and the FTE computed and shown on the top of the form. The calculation would need to be done for the complete time study period. The calculation is shown below for the sample time study:

Day of Time Study	Core Staff Time (in minutes)	Total Work Time (in minutes)
Monday	85 minutes	320 minutes
Tuesday	85 minutes	320 minutes
Wednesday	115 minutes	320 minutes
Thursday	85 minutes	320 minutes
Friday	85 minutes	320 minutes
Total Week	455 minutes	1600 minutes

The core staff FTE assigned is computed as follows for a full-time employee:

$$\text{Core Staff FTE} = \frac{\text{\# of minutes performing core staff work}}{\text{Total \# work minutes in the period}} = \frac{455}{1600} = 0.28$$

The core staff FTE is calculated for each of the two weeks that is documented. The higher of the two is shown on the Core Staff Designation for the year. So if the person in this example was calculated as 0.28 for one week and 0.30 for the other time study week, that person should be designated as a 0.30 core staff person for the year.

The FTE calculation for part-time employees is the number of minutes of core staff time divided by the minutes worked by full-time staff during the period. If a staff person is hired and works under a 50% contract (i.e. 0.5 FTE) and he/she performs core staff responsibilities for that whole time, the position would be designated as a 0.5 FTE core staff.

D. Review of Non-Core Staff Time to Determine What is Allowable

For all of the time not designated as core staff, only the time required for providing IEP services, related administrative work and special education evaluations are considered as allowable cost under the State Board Rules. **The one exception is the small group rule which allows for a block of time to be 100% allowable if**

- 1. the group being served is eight or fewer and**
- 2. the majority of the students are receiving IEP services during that time block.**

So for a group of eight, five or more of the group would have to be receiving IEP services; for a group of six, four or more would have to be receiving IEP services. As this rule is under the K-12 allowable cost section of the State Board rules, it applies only to serving K-12 students and does not extend to serving preschool students.

The following is the criteria for blocks not designated as core staff:

Students Being Served in Non-Core Time Blocks	Portion Considered Special Education Eligible
K-12 students – all receiving IEP services (individually or in groups)	100% allowable
Individual K-12 students receiving 504 or EST services or not on a plan	Disallowed
Groups of eight or fewer K-12 students with the majority (more than half) receiving IEP services	100% allowable
Groups of eight or fewer K-12 students with half or less of them receiving IEP services	% allowable is calculated based on # of students receiving IEP services divided by the total # in the group
Groups of nine or more K-12 students with some of the students receiving IEP services	% allowable is calculated based on # of students receiving IEP services divided by the total number in the group unless service is considered a regular education service
<i>Note: the above does not apply to special class programs</i>	

On the sample time study, the Tuesday/Friday Period 1 math group is allowable under this rule. Three students were receiving IEP services while one student was receiving services based on her EST Plan. Also on the sample, Period 9 on Monday/Tuesday/Friday is allowable under the small group rule. For these time blocks, there were three students receiving services – two receiving IEP services while the third was a regular education student.

On the sample time study, a number of blocks are not allowed as they related to providing recess duties and clerical support for the guidance office. These activities are not allowable special education costs and the portion of the staff member's salary and benefits relating to these services need to be charged to funds other than special education.

E. Audit Guidelines for Time Study Review

When the Department of Education audit staff review the time studies they use some standard guidelines to question the use of staff time that seem outside of the normal range. This time will be shown as disallowed unless additional information is provided during the audit process. The following is a list of the guidelines used by the auditors:

1. ***Time allowed for employee lunch is generally limited to 30 minutes per day unless the master negotiated agreement sets different conditions for employee's lunch break.*** The general rule in the schools appears to be 30 minutes for lunch so if additional time is allowed to a specific employee, an explanation can be provided if an exception has been made by the school district. It is important that the time studies differentiate between the employee's lunch break and lunch duties so that the lunch break is allowed.
2. ***Time allowed for employee breaks is limited to two fifteen minute breaks for a full-time employee per day.*** This is a general rule and if the school district has made different arrangements with a specific employee, the specifics of that arrangement would need to be provided to the auditors.
3. ***Up to 30 minutes is allowed for Medicaid paperwork on a weekly basis.*** Medicaid paperwork generates Medicaid reinvestment funds for the school district and staff that is dedicated to Medicaid paperwork, usually Medicaid clerks, should be paid from the Medicaid grant funds or a source other than special education. Although the services billed to Medicaid by schools are primarily provided through special education, Medicaid is not an IDEA-B requirement; it is an option that the State has chosen in order to claim additional funds to be used for prevention and intervention programs. Therefore, a limited

amount of time for Medicaid paperwork is allowed under the State special education funding formula. If the school district believes that additional time is needed because of the caseload of a specific special education staff person, they need to make that case. This is most likely in the case of related service providers who need to document each service session provided to eligible students (both receiving IEP services and enrolled in Medicaid). The school district will need to provide additional information for those specific employees.

4. ***Up to 15 minutes per day is allowed for Teacher Advisory (TA) or home room responsibilities.*** As in many schools, all professional staff members are assigned responsibilities for TA or home room. The department allows up to 15 minutes a day for this general education responsibility. However, if the school has a longer period than 15 minutes, the amount in excess of 15 minutes per day is disallowed as a regular education responsibility.
5. ***Preparation and planning time in excess of 20% of a professional's total work time or more than 30 minutes a day for a paraprofessional needs an explanation to be allowed.*** The usual amount of preparation time for professional staff during the school day work time is less than 20%. If a staff member's time study or sample weekly schedule shows more than that portion and the specific detail has not been provided, the supervisor or special education administrator should note why the additional time is needed, either on the back of the form or as an attachment. For paraprofessionals, an explanation is needed for more than 30 minutes a day of preparation time. However, if the time study provides the specific information about what the preparation and planning time relates to, the time is much more likely to be allowed.
6. ***Case management time in excess of 20% of a professional's total work time needs an explanation to be allowed.*** Case management is coordination of a student's IEP services which can involve discussing the student's services and progress with other service providers and the student's parents. When an activity is a specific requirement for special education such as scheduling and attending IEP meetings or three year evaluations, then a time study should identify the specific activity and should not use the generic terms such as "case management." When the specific information is provided concerning what the case management activities are and what students they relate to, the time is much more likely to be allowed.

7. ***EST meeting time is allowed if it is part of the employee's core staff time and as long as it does not exceed 2 hours per week.*** The allowable cost rules limit the use of core staff time to time spent providing services required by students' IEPs, 504 plans or EST plans. It does not allow time for EST meetings. However, a reasonable amount of time for actual EST meeting is allowed and the guideline is 2 hours per week of EST meeting time that can be used if it is during core staff designated time.

F. Other Provisions for Determining Allowable Time

In addition to the above criteria, there have been a number of decisions made concerning allowable time and unallowable time which are listed below:

1. **Covering general duties such as recess duty, lunchroom duty, bus duty, etc.** is not an allowable special education cost. These are necessary for the whole student body and should be covered by general education funds. The one very-limited exception is for school districts that assign duties to all staff on a ***rotating basis for a small part of the year such as once a month or two weeks for the school year in total.*** In this case, if all staff (professionals and aides) or all professional staff perform the duties and the duties do not fall disproportionately on special education staff, then that small amount of duty time is allowed if the actual duty rosters are provided. If a school assigns all recess and lunch duty to aides on a rotating basis, this would not be allowable as the vast majority of aides employed by most schools are special education aides so special education would be bearing the bulk of the recess and lunch duty.
2. **Coverage for lunch and recess for individual special education students** is considered an allowable special education cost only if the service is required by the student's IEP. The IEP would need to clearly state that the student is to receive services during those specific periods or is to receive individual aide services for the whole school day. If the service is not required by the student's IEP, it will not be considered an allowable cost.
3. **If a special education staff person does not perform their regular duties but substitutes for another staff member**, the determination as to whether the time spent as a substitute is allowable depends on the actual work being performed. If a special education aide substituted for a regular education teacher for half of the day because the teacher left due to illness, that

half of day is not allowable as special education time. The preferred system is to have time spent performing regular education substitute duties paid as a regular education expense. If this is not done, then a portion of the salary needs to be disallowed based on the time study.

4. **A special educator teaching a regular education class** is not considered an allowable special education cost. The small group rule allows a special educator, for blocks of time not designated as core staff time, to work with a group of eight or less as long as the majority (more than ½) of students are receiving services required by their IEPs. However, the small group rule does not extend to whole regular education classes.

5. **Whether time special education staff spent attending meetings is allowable depends on the purpose of the meeting.** When the time studies are completed, it is important that not only the meeting is indicated but the purpose of the meeting as well. So if Sally Smith is meeting with aide Cathy Capital and the purpose of the meeting is to provide supervision of Cathy's work with student A.B. and work on ways to implement specific behavior techniques with A. B., the time study should at least indicate "meeting with Cathy Capital re: services for student A. B". The following includes some specifics regarding what is considered allowable:
 - Staff meeting time is allowable if all staff are required to attend.
 - Meeting of special education staff for in-service training or to work on specific special education projects are considered allowable.
 - IEP meetings and other meetings related to the special education process for individual students are allowable.

6. **Team teaching with a special educator and a regular educator working with a whole class is not an allowable special education cost.** In a team teaching situation when a whole class is being taught, the time that the special educator spends providing services to the class is not considered a special education allowable cost even if an IEP service is being provided, as services are being provided to all students in the class. It is difficult to develop a rule that would allow a team teaching situation without allowing for the teaching of a regular education class, so for the time being it is not an allowable cost.

7. **Providing services to parentally placed students in accordance with a services plan is not an allowable special education cost.** Under IDEA-B, supervisory unions are required to

use the pool of funds designated as proportionate share funds to provide special services to students who have been determined eligible for special education and who are attending, at parental expense, an independent school located within the supervisory union boundaries or being home schooled within the supervisory union boundaries. After consultation with representatives of the independent schools and parents, the supervisory union develops a plan for using the IDEA-B proportionate share funds to provide special education and related services to this group of eligible students. Services may not be provided to all students if funds are not sufficient to do so. A services plan is written for each student who will be receiving services from the proportionate share funds. The proportionate share funds are the only funds that school districts are required to use for this purpose. If they choose to spend beyond the proportionate share amount of their IDEA-B grants, the expenditures for special education and related services for parentally placed students are not formula eligible costs and must be reported as ineligible whether it is the cost of their own staff or for contracted services.

8. **The allowable special education cost rules only apply to special education provided to the school district's kindergarten through 12th grade resident students or provided to Vermont State-placed students being educated by the school district for otherwise allowable special education costs not reimbursed under the State-placed student funding mechanism.** This means that the formula reimbursement does not apply to students placed by other states or that are Vermont students but not residents of the school district. For students placed by other states in Vermont, there should be an agreement under the interstate compact concerning payment for the student's educational costs and payment should come from the sending state. Also, formula reimbursement is not intended to cover the special education cost for non-resident students which would include children of staff members that you allow to attend the school where the parent teaches even though they are not resident students.

Employee – Time Study					
For School Year <u>2007 - 2008</u>					
Name:	<u>Nancy Nicholby</u>	For Week of:	<u>11/5/2007</u>		
Position:	<u>Instructional Assistant</u>				
School District:	<u>City Elementary School</u>	Core Staff:	<u>0.3 FTE</u>	Gray = Core time	
In the grid below, indicate the specific activity being performed and the students being served for each time block below. On the back of the form, indicate the students' ID numbers and whether services are being delivered based on IEP, 504 Plans, EST Plans, or other reasons.					
<i>Enter dates & times for each period.</i>	Monday <u>11/05/07</u>	Tuesday <u>11/06/07</u>	Wednesday <u>11/07/07</u>	Thursday <u>11/08/07</u>	Friday <u>11/09/07</u>
Period 1 Starting at <u>8:15</u> Ending at <u>9:05</u>	<u>Reading</u> Paul P.	<u>Math</u> Dennis D Martin M <i>Kathy K</i>	8:15-8:45 <u>Writing</u> Kara K 8:50-9:30 <u>Reading</u> Paul P	<u>Reading</u> Paul P.	<u>Math</u> Dennis D Martin M <i>Kathy K</i>
Period 2 Starting at <u>9:10</u> Ending at <u>9:55</u>	<u>Math</u> Steve S <i>Emily E.</i>	<u>Math</u> Steve S <i>Emily E.</i>	9:30-10:00 <u>Prep</u> for Grade 1&2 <u>Math Groups</u>	<u>Math</u> Steve S <i>Emily E.</i>	<u>Math</u> Steve S <i>Emily E.</i>
Period 3 Starting at <u>10:00</u> Ending at <u>10:45</u>	<u>Math - Gr 1 group</u> Kara K <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1 group</u> Kara K <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1 group</u> Kara K <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1 group</u> Kara K <i>Mandy M</i> <i>Patsy P</i>	<u>Math - Gr 1 group</u> Kara K <i>Mandy M</i> <i>Patsy P</i>
Period 4 Starting at <u>10:50</u> Ending at <u>11:05</u>	<u>LUNCH</u>	<u>LUNCH</u>	10:50 to 11:15 <u>LUNCH</u> -	<u>LUNCH</u>	<u>LUNCH</u>
Period 5 Starting at <u>11:10</u> Ending at <u>11:30</u>	<u>Recess Duty</u>	<u>Recess Duty</u>	11:15 to 11:30 <u>Guidance Office</u>	<u>Recess Duty</u>	<u>Recess Duty</u>
Period 6 Starting at <u>11:35</u> Ending at <u>12:15</u>	<u>Math - Gr 2 group</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2 group</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2 group</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2 group</u> <i>Peter P</i> <i>Sam S</i>	<u>Math - Gr 2 group</u> <i>Peter P</i> <i>Sam S</i>
Period 7 Starting at <u>12:20</u> Ending at <u>1:00</u>	<u>Social Studies</u> Steve S	<u>Prep time for Reading Group</u>	<u>Social Studies</u> Steve S	<u>Social Studies</u> Steve S	<u>Prep time for Reading Group</u>
Period 8 Starting at <u>1:05</u> Ending at <u>1:45</u>	<u>Clerical</u> Guidance Office	<u>Math</u> Paul P	<u>Clerical</u> Guidance Office	<u>Math</u> Paul P	1:05 – 1:20 <u>IEP Notice</u> Steve S 1:20 - 1:45 <u>Medicaid Paperwork</u>
Period 9 Starting at <u>1:50</u> Ending at <u>2:30</u>	<u>Reading</u> <i>Emily E</i> Connie C Andy A	<u>Reading</u> <i>Emily E</i> Connie C Andy A	<u>Meeting w/ Alice Acton-re Behavior</u> Steve S Paul P	<u>Reading</u> <i>Emily E</i> Connie C (See explanation)	<u>Reading</u> <i>Emily E</i> Connie C Andy A
I certify that I prepared this time study and that it is an accurate reflection of the work that I performed during this period.					
Signed: <u>Nancy Nicholby</u>			Date: <u>11/13/2007</u>		

Please list below all of the students that you served for the school year indicated above. For each student served, indicate whether the service being provided was based on a plan (IEP, 504 plan or EST plan) or for another reason. For other, please provide a brief explanation such as special education evaluation.					
Student's Name and ID Number		Services Being Provided Based On:			
		IEP	504 Plan	EST Plan	Other - Explain
Dennis Dear	1234567	X			
Kara Kute	1234567	X			
Martin Mills	1234567	X			
<i>Patsy Pine</i>	<i>1234567</i>			X	
Paul Pelt	1234567	X			
<i>Sam Smiles</i>	<i>1234567</i>		X		
Steve Smith	1234567	X			
<i>Tom Trip</i>	<i>1234567</i>		X		
Connie Camp	1234567	X			
Emily Erks	1234567				Title I eligible but no Title I time
<i>Mandy Mills</i>	<i>1234567</i>			X	
<i>Peter Panda</i>	<i>1234567</i>			X	
<i>Kathy Kute</i>	<i>1234567</i>			X	
Andy Ants	1234567	X			
(Please note for this example -		Bold denotes students receiving IEP services;			
		<i>Italic denotes students receiving services required by 504 or EST plans;</i>			
		Regular font indicates students without a plan.)			
Explanations for periods of time on the front of this form which should be considered when allocating time between special education and general education.					
Date	Period	Explanation			
11/8/2007	9	Andy A was sick on Thursday but normal reading group shown on Monday, Tuesday & Friday meets the small group rule.			

G. Disallowable Time Calculated

The time study needs to be reviewed to determine if any blocks are not allowable either totally or partially. This needs to be determined block by block and depends on the activity being performed, the students being served, the grade level of the students being served and the grouping of students being served (if it is not service to an individual student). For blocks with disallowed time, the minutes of disallowed time need to be calculated. The disallowed minutes need to be totaled for each day and totaled for each of the one-week time study periods.

For the sample time study, the minutes disallowed are shown on the chart below. The first column after the day of the week shows the time blocks totally disallowed, which includes this employee's recess duty as well as her clerical work in the Guidance Office. The time blocks partially disallowed are the Period 2- blocks for Monday, Tuesday, Thursday and Friday when the services provided are for a group of one student receiving IEP services and one student without a plan. Since this block does not fit under the small group rule, the amount of allowed time needs to be calculated based on the portion of students served who are receiving special education services. In this example, $\frac{1}{2}$ of the students are receiving IEP services and therefore $\frac{1}{2}$ of that time block is allowed and the remaining $\frac{1}{2}$ is disallowed.

Day of Time Study	Time Blocks Totally Disallowed	Time Blocks Partially Disallowed Showing Calculation	Total Minutes Disallowed
Monday	60 minutes	$\frac{1}{2}$ of 45 minutes = 23 minutes	83 minutes
Tuesday	20 minutes	$\frac{1}{2}$ of 45 minutes = 23 minutes	43 minutes
Wednesday	55 minutes	0	55 minutes
Thursday	20 minutes	$\frac{1}{2}$ of 45 minutes = 23 minutes	43 minutes
Friday	20 minutes	$\frac{1}{2}$ of 45 minutes = 23 minutes	43 minutes
Total Week	175 minutes	92 minutes	267 minutes

Once the number of minutes disallowed is calculated for the week, the percentage disallowed is calculated as the number of minutes disallowed divided by the total work time for the week:

$$\% \text{ Disallowed} = \frac{\text{Minutes Disallowed for Week}}{\text{Total Minutes Worked for Week}} \times 100\%$$

For the one week sample time study, the % disallowed would be 267 minutes disallowed divided by the 1,600 minutes worked for a result of 16.7%. If the second week had a % disallowed of 15.1%, then the average of 15.9% would be used as the % disallowed for the school year.

H. Calculation of Allowable Salary and Benefits and Adjusting Transactions

The % allowed is calculated as the average from the two time study weeks and is used to determine what portion of the special education staff person's salary and benefits can be charged off to special education. The percentage allowed for calculation purposes would be 100% less the percentage disallowed if it is easier to calculate the disallowed time.

For the employee whose time sample we have been using had 15.9% of her time disallowed, 84.1% would be used as the percentage allowed. If the employee's salary was \$17,200 for the school year and the benefits were \$12,040, then \$14,465.20 of salary and \$10,125.64 of benefits would be charged as eligible special education costs. The disallowed portion of the salary and benefits should be charged off to a funding source appropriate for the work being performed. If the staff person's salary and benefits were set up at the beginning of the year to be charged to special education at a percentage different from the amount calculated based on the time study, then an adjustment needs to be made to adjust that once the time study information has been compiled. So, if the employee with the sample time study had been charged off to special education at 80% from the beginning of the year based on an estimate, once the time study information was complete an adjustment would need to be made to charge an additional 4.1% of her salary and benefits to special education prior to completing the final Special Education Expenditure Report for the year. The adjustments need to be clearly documented and kept with the accounting records for the year.

VII. Review of Core Staff Documentation and Calculation of Allowable Cost

The review of the [core staff documentation](#) is similar to that for time studies for staff that is not designated as 100% core staff. The same guidelines and provisions apply but all of the time is reviewed using the chart for core staff (see Section V.B).

A. Preparation and Review of Core Staff Documentation

The sample weekly schedules and caseload lists must be collected during the school year and reviewed to make sure that each is complete. It should be completed by the employee and signed

by the employee. The core staff documentation should be done early enough in the year so that the information can be used to calculate the allowable amount of salary and benefits. It may make sense to have staff complete the samples during the first week that time studies are prepared in case it is determined that the 100% core staff designation does not make sense for that employee for that school year so there is still time to do time studies.

The instructions for preparing the core staff documentation are as follows:

1. *The sample weekly schedule shows what the employee normally does for a complete week for their normal work schedule* . So if the employee is paid to work from 7:45 to 3:30 with twenty minutes for lunch, then the sample schedule should cover that whole time frame of 7:45 am to 3:30 pm with the employee lunch shown as a time block. This assumes that the beginning and ending times for the periods are correctly noted and the only time missing is the time between class periods.
2. *For each and every period or service block making up the employee's complete schedule, the activity needs to be indicated as well as the students being served , usually indicated by their initials* . For blocks of time where instruction is being provided, the subject being taught is sufficient for the activity such as "English - A.B. and C.D." or "Math Tutorial - E. F." For other blocks, the activity should be a concise description of what the staff person normally does. Examples which are often seen are: "preparing for 2:30 math class;" "case management for students A.B. and C.D.;" "supervising aide for E.F.;" "special education staff meeting" and "IEP meetings." If the activity performed during the time block usually relates to a specific student or number of students, then the student(s) should be indicated. However, as this is a sample weekly schedule and not a time study, students do not need to be indicated for time slots where the specific students will change during the year such as IEP meetings.
3. *The caseload list should include all of the students served for the school year* . Also, if there are multiple students with the same initials, it is recommended that the sample schedule differentiate when the staff person is serving A. B. the first grader from when he/she is serving A. B. the sixth grader. Circling or asterisking one set of the initials could differentiate the two students. The same notation should be used on the caseload list such as using the middle initials – A.E.B. versus A.L.B.

4. The core staff documentation needs to be signed by the employee. The employee signs after the statement on the core staff documentation form saying that the sample weekly schedule and the caseload list accurately reflect the work performed during the school year.

5. Check that the Core Staff Designation Form shows the correct FTE for the 100% core staff employee. For full-time employees, the FTE on the designation would show as 1.0 and for part-time employees, the FTE would match the percentage of time they work i.e., .40 FTE for an employee who works 40% of the time and all of that 40% is being designated as core staff time.

B. Reviewing Core Staff Documentation and Calculating Allowable Salary and Benefits

The core staff documentation is first reviewed to make sure that all of the staff person's time is accounted for, that both the activity and students are shown for each block of time and that the caseload list is complete. Please refer to Section IV Initial Review of Time Studies for more detailed information.

The sample weekly schedules need to be reviewed to determine if the employee's time is 100% allowable as a special education cost using the core staff eligibility chart (see Section V. B). For core staff time, the employee is allowed to provide services to K-12 students as required by their IEPs, 504 plans and EST plans. **If the employee provides services to preschool students, the percentage of time spent providing those services must be eliminated from the time charged as eligible cost.** The K-12 allowable services to students as required by their plans could be individual (one-on-one) or in groups with the exception that the services are not part of a special class program. Also a reasonable amount of time participating in EST meetings is allowed.

Core staff time used to perform regular education duties or provide services to students that are not required by their plans is not an allowable cost. The amount of disallowed time shown on the sample weekly schedule needs to be calculated. To determine the percentage disallowed, first decide if any of the blocks of the sample weekly schedule are not allowable and whether the whole block is partially or totally disallowed. If the activity is disallowed, such as performing general lunch duty, then the block is 100% disallowed. If the activity is providing services to students, then the disallowance is generally based on whether the service being performed is required by the students' plans (IEP, 504 or EST). If a special educator was providing a math

tutorial for four students and one was a regular education student without a plan, then 1/4 of that block of time would be disallowed. For details on calculating the time worked and calculating disallowed time, see Section V.

For the sample core staff documentation on the following page, the staff member who was designated as 100% core staff provided services to a regular education student for study skills during Period 5 on Friday and daily during Period 9. During Period 5 on Friday, study skills were provided to a group of four students once a week during a 40 minute block resulting in 10 minutes disallowed. For Period 9, the student was one of three students during a 45 minute period which would result in 15 minutes being disallowed for each of the 5 days. This would result in 85 minutes being disallowed out of her 1,820 minutes of work time. For the employee's time shown in the sample, the disallowance would be 4.67% of the employee's salary and benefits.

C. Calculation of Allowable Salaries and Benefits

Once the allowable percentage has been established for the employee for the year based on the core staff documentation, the allowable percentage needs to be used to adjust the amount of salaries and benefits to be reported as eligible cost on the final Special Education Expenditure Report for the year. This can be done in one of two ways:

1. Adjust the salaries and benefits in the accounting system to reflect the appropriate amount of special education salaries and benefits. For example, if at the beginning of the school year it was assumed that the person's salary and benefits would be 100% allowable, the adjustment to disallow 4.67% needs to be done before the accounting records are closed for the year. This would mean transferring 4.67% of the employee's salary and benefits to a program other than special education eligible cost. **Please note that any journal entries used to record the adjustments must have detailed backup showing the calculation for each employee.** This detail will be needed for special education audits.

2. If you choose not to adjust your accounting records for special education adjustments, you need to create a spreadsheet showing by employee the total salaries, the adjustment percentages, and the special education eligible salaries. We recommend that if you choose to use the spreadsheet approach it would make sense, and save time, to use the spreadsheet already required for salary reconciliation for audit. Please feel free to call or e-mail Lynne Carpenter for a template of this spreadsheet at 828-0561 or lynne.carpenter@state.vt.us.

Staff Documentation for 100 % Core Staff Employees**For School Year 2007-2008**

Name: **Jane Jones** *Complete Sample Weekly*
 School District: **City Union High School** *Schedule on Reverse Side*
 Position: **Consulting Teacher** *For Core Staff Time*
 FTE or % of time worked per contract: **100%** Check type: **X** Professional
 _____ Aide
(The FTE that an employee works must match the FTE designated as core staff in order to use this form instead of the two-week time study.)

Please list below all of the students that you served for the school year indicated above. For each student served, indicate whether the service being provided was based on a plan (IEP, 504 plan or EST plan) or for another reason. For other, please provide a brief explanation such as special education evaluation.

The following is a list of the students served during the school year:

Student's Name and ID Number		Services Being Performed Based on:			
		IEP	504 Plan	EST Plan	Other-Explain
Amy Anderson	1#####	X			
<i>Adam Apple</i>	<i>1#####</i>		X		
<i>Brad Bacon</i>	<i>1#####</i>		X		
Chad Copper	1#####	X			
David Deen	1#####	X			
<i>Dan Ditto</i>	<i>1#####</i>		X		
Larry Lamb	1#####	X			
Jean Jasper	1#####	X			
Nate Nelson	1#####	X			
<i>Neil Norton</i>	<i>1#####</i>		X		
<i>Opal Orvis</i>	<i>1#####</i>		X		
Paul Paste	1#####	X			
Stan Snoop	1#####	X			
Val Vessell	1#####	X			
<i>Betty Boost</i>	<i>1#####</i>			X	
<i>Sandra Smiley</i>	<i>1#####</i>			X	
<i>Arnie Amps</i>	<i>1#####</i>			X	
<i>Kerry Koop</i>	<i>1#####</i>			X	
<i>Tim Thumb</i>	<i>1#####</i>			X	
<i>George Gosh</i>	<i>1#####</i>			X	
<i>Kevin Koop</i>	<i>1#####</i>			X	
<i>Billy Boys</i>	<i>1#####</i>			X	
Michael Most	1#####				X

(Note: **bold denotes students receiving IEP services**; *italic denotes students served under 504 or EST Plan*; regular font indicates Regular Education students without plans.)

I certify that the above list includes all of the students that I worked with during the school year and the sample schedule is an accurate reflection of the work that I performed.

Signed: **Jane Jones** Date: **April 2, 2008**

Core Staff Weekly Schedule					
Name: Jane Jones		Position: Consulting Teacher			
For School Year 2007-2008					
In the grid below, indicate the activities being performed and the students being served for each time block.					
	Monday	Tuesday	Wednesday	Thursday	Friday
Period 1 Starting at 7:50 Ending at 8:00	<div><-----Teacher Advisory Period-----></div> Amy A., George G., Kevin K., Larry L., Adam A., Michael M., Billy B. and David D. Attendance, announcements and work on issues with individual students				
Period 2 Starting at 8:05 Ending at 8:45	<u>Reading Skills</u> Amy A., Jean J. Larry L., Betty B. <i>Tim T. & Adam A.</i>	<u>Case Management</u> Amy A, Larry L, David D	<u>Reading Skills</u> Amy A., Jean J. Larry L., Betty B. <i>Tim T. & Adam A.</i>	<u>Case Management</u> Amy A, Larry L, David D	<u>Reading Skills</u> Amy A., Jean J. Larry L., Betty B. <i>Tim T. & Adam A.</i>
Period 3 Starting at 8:50 Ending at 9:30	<u>English</u> <i>Brad B., Chad C.</i> <i>Betty B., Tim T.,</i> <i>Sandra S., Val V.</i>	<u>English</u> <i>Brad B., Chad C.</i> <i>Betty B., Tim T.,</i> <i>Sandra S., Val V.</i>	<u>English</u> <i>Brad B., Chad C.</i> <i>Betty B., Tim T.,</i> <i>Sandra S., Val V.</i>	<u>English</u> <i>Brad B., Chad C.</i> <i>Betty B., Tim T.,</i> <i>Sandra S., Val V.</i>	<u>English</u> <i>Brad B., Chad C.</i> <i>Betty B., Tim T.,</i> <i>Sandra S., Val V.</i>
Period 4 Starting at 9:35 Ending at 10:15	<u>Social Studies</u> Amy A., Jean J. Larry L., Betty B. <i>Kerry K., Billy B.</i> <i>George G.</i>	<u>Social Studies</u> Amy A., Jean J. Larry L., Betty B. <i>Kerry K., Billy B.</i> <i>George G.</i>	<u>Social Studies</u> Amy A., Jean J. Larry L., Betty B. <i>Kerry K., Billy B.</i> <i>George G.</i>	<u>Social Studies</u> Amy A., Jean J. Larry L., Betty B. <i>Kerry K., Billy B.</i> <i>George G.</i>	<u>Social Studies</u> Amy A., Jean J. Larry L., Betty B. <i>Kerry K., Billy B.</i> <i>George G.</i>
Period 5 Starting at 10:20 Ending at 11:00	<u>History</u> <i>Betty B., Paul P.</i> Stan S., Kevin K.	<u>Study Skills</u> <i>Adam A., Brad B.,</i> <i>Arnie A., Tim. T.,</i> <i>Sandra S.</i>	<u>History</u> <i>Betty B., Paul P.</i> Stan S., Kevin K.	<u>Study Skills</u> Chad C., Dan D. <i>Opal O., Neil N.</i> Val V.	<u>Study Skills</u> Jean J., Nate N., <i>Kerry K., Michael M.</i>
Period 6A Starting at 11:05 Ending at 11:25	Lunch	Lunch	Lunch	Lunch	<u>EST Team Meeting</u>
Period 6B Starting at 11:30 Ending at 11:55	<u>Reading</u> <i>Adam A</i>	<u>Reading</u> <i>Dan. D.</i>	<u>Reading</u> Nate N.	<u>Reading</u> <i>Kevin K.</i>	Lunch
Period 7 Starting at 12:00 Ending at 12:40	<u>English</u> <i>Adam A.</i> David D. <i>Neil N.</i>	<u>English</u> <i>Adam A.</i> David D. <i>Neil N.</i>	<u>English</u> <i>Adam A.</i> David D. <i>Neil N.</i>	<u>English</u> <i>Adam A.</i> David D. <i>Neil N.</i>	<u>English</u> <i>Adam A.</i> David D. <i>Neil N.</i>
Period 8 Starting at 12:45 Ending at 1:25	<u>Social Studies</u> Chad C. <i>Dan D.</i>	<u>Social Studies</u> Chad C. <i>Dan D.</i>	<u>Social Studies</u> Chad C. <i>Dan D.</i>	<u>Social Studies</u> Chad C. <i>Dan D.</i>	<u>Social Studies</u> Chad C. <i>Dan D.</i>
Period 9 Starting at 1:30 Ending at 2:15	<u>English</u> Jean J. <i>Opal O.</i> Michael M.	<u>English</u> Jean J. <i>Opal O.</i> Michael M.	<u>English</u> Jean J. <i>Opal O.</i> Michael M.	<u>English</u> Jean J. <i>Opal O.</i> Michael M.	<u>English</u> Jean J. <i>Opal O.</i> Michael M.
Period 10 Starting at 2:15 Ending at 3:00	<u>English</u> Amy A., Dan D., Larry L., Arnie A. Paul P., Stan S. <i>Kerry K., Billy B.</i>	<u>English</u> Amy A., Dan D., Larry L., Arnie A. Paul P., Stan S. <i>Kerry K., Billy B.</i>	<u>English</u> Amy A., Dan D., Larry L., Arnie A. Paul P., Stan S. <i>Kerry K., Billy B.</i>	<u>English</u> Amy A., Dan D., Larry L., Arnie A. Paul P., Stan S. <i>Kerry K., Billy B.</i>	<u>English</u> Amy A., Dan D., Larry L., Arnie A. Paul P., Stan S. <i>Kerry K., Billy B.</i>

(Note: **bold** denotes students receiving IEP services; *italic* denotes students served under 504 or EST Plan.)

VII. On-Going Staff Documentation

This documentation is used for staff members that perform special education responsibilities part of the time but whose schedules vary significantly from day to day or week to week. The staff members who most often fall into this category are staff providing services to students with behavioral issues as the students may or may not qualify for special education services. Also the specific services provided may vary significantly from day to day so that the two week sample would probably not be representative of their school year work. The form is completed each week of the school year and for extended school year services if the staff member is being paid to provide services beyond the school year.

A. Completing the On-Going Staff Documentation Form

One [form](#) is used to cover each week for staff members who perform special education responsibilities only part of the time and whose schedule varies considerably week to week. The department suggests that school psychologists and behavior specialists document their time using on-going staff documentation as these staff members seem, in general, to have a variable caseload and schedule from week to week.

The on-going staff documentation form requires two types of information. The first is the total number of hours they worked each day and the number spent performing special education responsibilities. The second is a detailed listing of the time spent performing special education responsibilities. For the time spent providing special education responsibilities, the information provided is similar to that reported on the individual blocks of a time study. The staff person should indicate on the form for each block of time spent providing special education services:

1. the beginning and ending time for each service block,
2. a brief description of the activity or work being performed, and
3. a list of the students being served or to whom the activity relates during the block.

Please note that the detail is only required for the time spent performing special education responsibilities so that information about non-special education students is not necessary.

When the daily entries have been completed, the employee totals for the week the “Total Hours Worked” and the “Hours Performing Special Ed. Work.” These two numbers are used to compute the % of hours worked for the week that were spent performing special education responsibilities.

$$\% \text{ of week spent on special education work} = \frac{\text{Hours Performing Special Ed. Work}}{\text{Total Hours Worked}} \times 100\%$$

The employee must sign the form at the end of the period covered by the on-going documentation and provide it to the administrative offices.

B. Reviewing On-Going Documentation Form and Calculating Allowable Cost

The on-going time documentation forms are submitted to the business office after the forms have been reviewed by the supervisor or department head. The forms need to be reviewed to make sure that the information is complete and makes sense. Also, someone needs to check that the time detailed as special education time worked matches the number of hours reported in the “Hours Performing Special Ed. Work” column. The weekly totals and the percentage calculation should be double checked. In the business office, this information needs to be used to determine what percentage of the employee’s time is chargeable to special education for the period documented.

On the sample which follows, the employee spent 20.5 total hours during the week performing special education work. The total hours worked is shown each day and excludes the employee’s lunch and other breaks which happen to total 36 hours for the sample week. This resulted in providing special education services for 56.9% of his time for the week and therefore 56.9% of his salary and benefits for the period can be charged to special education.

Employee On-Going Documentation
For School Year 2007 – 2008

Name: Warren Worthington **For Week of:** 4/14/08
Position: Psychologist
School District: City School District

The following shows the total number of hours worked each day and the hours spent performing special education work. Prepare this for each week that Special Education work is performed.

Day	Total Hours Worked	Hours Performing Special Ed. Work	Special Education Work Performed		
			Time Period	Service	Students Served
Monday	7	4.5	8:00-9:00	evaluation	Moe Miller
			10:00-10:30	counseling	Tom Tortuga
			11:00-1:00	evaluation	Billy Blaze
			1:00-2:00	group counseling	Andy Argyle, Sam Stamps, Carly Cotton, Theo Thimble
Tuesday	7.5	6	7:45-8:15	counseling	Carly Cotton
			9:00-9:30	counseling	Roger Ratchet
			10:00-2:00	scoring eval	Moe Miller
			2:00-3:00	scoring eval	Billy Blaze
Wednesday	7	2.75	12:30-1:00	counseling	Sam Stamps
			3:00-5:15	I EP meeting	Dina Dart
Thursday	7	2	7:45-8:15	counseling	Theo Thimble
			9:00-9:30	counseling	Paul Picasso
			10:00-10:30	counseling	Yolanda Yew
			2:00-2:30	counseling	Frieda Filch
Friday	7.5	5.25	7:30-9:00	evaluation	Ira Inkling
			9:00-10:30	I EP meeting	Zoe Zipper
			12:30-1:45	I EP meeting	Eddie Ezzard
			2:00-2:30	counseling	George Gershwin
			2:30-3:00	counseling	Harriet Hamilton
Total for Week	36	20.5	= 56.9%	of week spent on special education work	
The above information is an accurate reflection of the work that I performed during this period.					
Signed:	Warren Worthington			Date:	4/18/08

VIII. Retention of Staff Documentation Materials for State Funding and IEPs

The Department is recommending that the staff documentation materials generated for State funding be retained for three years after the end of the fiscal year to which they pertain. Also the IEPs for students who have moved to other school districts should be available for the auditors to review. If the IEP information is not maintained electronically, the copies of the IEPs that were in place while the student was in the supervisory union should be kept when the records are sent on to the new school district.

IX. Staff and Other Cost for Special Education Programs Operated by the School District

The eligible cost rule for tuition or per pupil costs for special education self-contained or special education programs is based on the portion of the allowable special education costs that relate to providing IEP services to special education students. The rule states “expenditures for instructional services shall be allowable if required by a student’s IEP” including “the portion of non-collaborative tuition of special education programs and excess costs charged by public schools which relate to allowable costs.” Special education programs are usually set up to serve the needs of a small number of students and, because of that, they may change from year to year or during a school year. For this reason, **it is important to track the costs and enrollment of the programs for each school year** to determine what program costs are actually allowable special education costs and what portion of the students are receiving special education (IEP) services.

The following describes the process that the school district or supervisory union operating the program needs to use to determine what portion of those program costs are allowable special education costs. This process should also be used to determine the actual costs that can be charged to other school districts for the students that they send to the special education program. Also, by February 1st of each year, the school board that plans to charge a special education tuition rate to other school districts needs to announce the rate for the program for the upcoming school year (16 V.S.A. § 826 (b)). The announced rate is the maximum that the school district is allowed to charge. The announced rate is based on estimated costs for the year and estimated student enrollment in the program. **There needs to be an actual tuition calculation at the end of the year to verify the actual per pupil cost of the program. Any overcharges for tuition need to be refunded to the sending school district.**

A. Determining Allowable Cost for a Special Education Program

The first step is to determine the amount of the special education program costs that are allowable special education costs under the allowable cost rules.

1. Salary and benefits for instructional staff are limited to licensed special educators and the program aides who assist them in providing specialized instruction. The cost of individual aides required by the individual students' IEPs is an allowable program cost. However, if not all students required individual aides, the aides should be charged to the specific students requiring that additional assistance and not be charged to the program unless the aides' services are shared by all students. The staff costs that would not be allowable special education costs are the costs for regular education staff or other instructional staff without special education licensure.
2. Contracted services that relate to the provision of special education instructional services for the program are allowable costs.
3. Special materials and equipment as required by the students' IEPs are an allowable part of the program cost.
4. Travel of staff that relates to providing the services under the program are allowable costs.
5. Cost of telephone service for a special education program is an allowable cost.
6. Related services that are offered as part of the program are allowable costs. In some special education programs, related services are an integral part of the program and as long as they qualify under the allowable cost rules, the costs of related services can be included in the overall program cost.

The cost of the program should be tracked as a cost center in the general accounting system and used in the calculation of the amount that can be reported as eligible cost. A similar code should be used to track the tuition revenue generated by the program. The costs that **can not** be included as eligible cost are building related cost, general administration cost, and cost for general classroom equipment. These unallowable costs can not be reported as eligible special education costs and should be coded so that they are differentiated from the allowable costs for the program.

B. Determining Student Days for Special Education Programs

The enrollment in each special education program should be tracked for each year. This means maintaining a list of the students who participate in the program with the date they start in the program and the date they leave the program. If students are allowed to participate in the program

on a part-time basis, the enrollment information should also track changes in each student's status from part-time to full-time. From this enrollment, calculate the total number of student days in the program by counting the actual number of school days that each student was in the program, pro-rated for part-time if appropriate. Also calculate separately the number of student days for those students who are receiving their IEP services from the program.

C. Calculating the Allowable Percentage for the Special Education Program Cost

To determine what part of the allowable program costs can be reported as allowable special education cost, compute the portion of the program that relates to providing IEP services using the following calculation:

$$\% \text{ Allowed} = \frac{\text{Total \# of days for students receiving IEP services from program}}{\text{Total \# of days for all students receiving services from program}} \times 100\%$$

Use this percentage to determine the portion of the allowable program costs that can be included as eligible cost on the Special Education Expenditure Report. This allows as special education cost the portion of the allowable program costs that relate to providing IEP services. Be sure to keep all of the documentation on file.

D. Calculating Allowable Tuition Revenue for Special Education Programs

For tuition billed to other school districts, the school district operating the program can charge the actual per pupil cost of the program. However, if any ineligible costs are included in the program cost, the bill needs to state what % of that tuition is eligible. For example, if the eligible cost of the program was \$250,000 and there was another \$15,000 of ineligible building related costs, then 5.7% of the tuition for the special education program would be an ineligible cost and that % would appear at least on the final tuition invoice for the year. On the Special Education Expenditure Report, only the eligible portion of the tuition revenue for special education students will appear in the eligible column of the report. So if the tuition revenue from other LEAs was \$20,000 for special education students, only the \$18,860 (94.3%) would be reported as eligible.

Tuition revenue for non-special education students would not be included on the report as the costs for non-special education students has been excluded in the costs reported in the top section of the report. Therefore, the revenue generated by non-special education students would also be excluded from the report.

X. Invoices Charged as Special Education Expenditures

The costs incurred other than payroll costs originate from invoices. It is important that the invoices contain the information necessary to clearly document the service being performed or the goods being provided. The information needed for documentation should be provided by the vendor and only the coding and approval should need to be added by the school district or supervisory union paying the invoice. If a vendor does not provide the required information, it is important that the school district or supervisory union work with the vendor to ensure that all of the appropriate information is provided. The school district may want to include their invoicing requirements in their contracts or as an attachment to their purchase orders.

A. Basic Invoice Requirements

All invoices must meet the requirements of a permanent record so anything prepared in pencil is not acceptable. Also the following information needs to be included.

1. Vendor information should clearly show on the invoice. This includes the complete name of the vendor and their contact information. If the invoice is printed on vendor's letterhead or billhead, it should include the vendor's name, mailing address and telephone number. If the invoice is printed on plain paper, the invoice should include all of the vendor's information at the top of the invoice and it should be signed by the vendor or a vendor representative.
2. Invoice date should be clearly indicated after the vendor information.
3. Itemization of services or goods by date of service or delivery date should be included in the body of the invoice. See detail below by type of invoice.
4. Student names if the services relate to specific students.
5. Unit cost needs to be shown for each type of service or goods.
6. Any added costs need to be clearly indicated along with rate if applicable. This may include tax or delivery fees.
7. Total amount being billed should be clearly indicated at the bottom of the invoice.

For any costs to be paid from federal funds, the payments need to be coded directly to those funds and the person who acts as grant manager for the federal program should sign off on the invoice. It is not acceptable to pay the cost from general funds then transfer the expense using journal entries as that does not create an audit trail. End of the year adjusting/correcting entries can be done with journal entries but detailed documentation needs to show the specific invoices that are effected by the change in funding source.

B. Requirements for Invoices from Contracted Service Providers

For invoices for services provided by non school employees, the itemization for the services needs to contain the elements listed below. **This information needs to be included by the vendor on the invoice provided to the school district.**

1. Description of service provided needs to be indicated. It is important that the description used matches with a service listed on the student's IEP if it is an individual student's IEP service. Also it is important that evaluations are listed as evaluations and not shown as a generic term such as psychological services as the back-up documentation for the school district is quite different.
2. Dates of service need to be listed on the invoice showing each day that the service was provided. The only exception is when the same service is delivered to the same student for all school days, then the beginning and ending date of the period can be shown instead of listing every school day in the period. However, it is not acceptable to use a month or quarter as the billing period if the student did not access services for the whole period. In that case, the period needs to reflect the actual beginning and ending date. For example, if a student is receiving tutoring daily but the services are ended on November 15th, then the quarterly invoice should state the specific ending date of services – i.e., “October 1, 2007 through November 15th, 2007” not “October 1, 2007 through December 31, 2007.”
3. Amount of service provided by date should show on the invoice if the cost is being computed based on the amount of time spent providing services. If the invoice is for services for which a flat rate is charged such as an evaluation, the specific amount of time would not need to be shown on the invoice.
4. Names of students being provided the service by date should be indicated on the invoice. The only clear indication that the service was provided to specific students is if the vendor provides that information. The vendor may set up a system with the school district to use a set of codes to identify individual students but the codes must be kept on file. It is not acceptable for school to add students' names to the invoices as it does not provide a clear audit trail.
Please note that although the students' names need to be redacted (deleted) from the invoice submitted to the school board for payment, a copy of the original invoice with the students' names must be kept in a confidential file for audit purposes.
5. Billing rate and amount being billed should also show on the invoice. This allows the school district to check that the amount being billed is correctly calculated prior to paying the

bill. If the service has a flat rate such as for an evaluation, the invoice will only have the billed amount.

C. Review of Invoices from Contracted Service Providers

All invoices need to be reviewed to ensure that all of the required information is contained on the invoice. The invoices for contracted service providers need to be reviewed to determine which, if any, of the costs listed are for special education services. The specific items on the invoice for special education services need to be reviewed to make sure that the specific students being served are listed and that the service is an IEP service or part of a special education evaluation. This means that someone with access to students' IEPs needs to review and approve the invoices.

The costs need to be reviewed to determine if they are appropriately calculated and the coding needs to be assigned depending on whether the costs are for services for preschool or K-12 students. Also prior to approving an invoice there should be verification that the services were actually performed. If any of the costs are budgeted under federal or other grants, then the costs need to be directly coded to the grant account. Any non-special education costs (including services to non-special education students or for services not required by students' IEPs or special education evaluation plans) need to be coded to non-special education sources of funds.

D. Requirements for Special Education Tuition and Excess Cost

Invoices for special education tuition and excess costs may be from other public school districts or from independent schools approved for the provision of special education services. Tuition is the per pupil charge for a self-contained or separate day special education program for K-12 students while excess cost is for special education services not included in the tuition paid for the student.

For tuition to special education programs, the invoice needs to show the student's name and the name of the program, the period covered by the invoice and the rate for the period or daily rate times the number of days being billed. The tuition rate for special education programs offered by Vermont independent schools has to be approved by the Department of Education and can be verified with the Independent & Federal Programs Team. For special education programs offered by public schools, the tuition rate is announced by February 1st prior to the beginning of the school year. The rate should be verified at the end of the school year by the school district

operating the program. School district programs include collaborative programs which operate under an agreement between supervisory unions and programs offered by a school district or supervisory union on their own.

For excess costs, the school district of residence (referred to as sending school district) should have received notice at the beginning of the school year from the school district serving the student (referred to as receiving school district) regarding the rates that would be charged for specific excess special education cost that they intend to charge for the student's special education services. The excess costs include charges for special education instructional services that have specific rates calculated at the beginning of the year based on the salary, benefits and related costs for providing the special education services and the combined caseload for those services. Excess costs may also be based on the actual cost incurred for providing the services. For example, the cost of an individual aide could be the salary and benefits of the specific person hired to perform that function for the student. The notice for each student needs to indicate the rate or explain how the excess cost will be calculated.

Each charge on bills for tuition and excess cost need to clearly identify:

1. Student that the charge relates to
2. Period covered for the expense
3. Whether the cost is a special education tuition, special education excess cost or regular education tuition
4. For special education tuition, the name of the special education program and for public schools charging tuition, whether it is a collaborative program or not and if not, what % of the tuition relates to eligible costs for non-collaborative programs
5. For excess cost items, a description of the specific excess cost being billed such as special education instruction, speech/language services, individual aide, evaluation, etc.
6. The rate being charged or description of the costs being charged such as \$4,500 per year for special education instruction, \$19,450 for individual aide based on actual salary and benefits, etc.
7. The amount being billed for that service for that student.

All of the information should be on the invoice as submitted by the vendor and if the information is not clearly indicated, the school district should ask for a corrected invoice so that they have appropriate documentation of the payment.

E. Verification of Special Education Tuition and Excess Cost Invoices

Prior to paying any tuition for special education programs, verify that all the required information is on the invoice. Also check whether the bill relates to the current fiscal year. Prior fiscal year expenses need to be reported as expenditures for that prior fiscal year and not added into the current year expenses.

The following verification should be done on each individual charge:

1. The student is a resident student of the school district during the period being billed
2. The period covered is the correct for that student
3. The services being billed are required by the student's IEP
4. The amount billed is reasonable and the tuition being charged does not exceed the announced tuition rate and the rates for excess cost are in line with the excess cost notice sent by the receiving school at the beginning of the school year
5. Any calculations are correctly computed
6. Verify that the expense has not already been paid. To do this, it may be helpful to track payments for tuitions and excess costs by individual students to make sure that two payments are not processed for the same student for the same period of time.

The next step is to code the expenses to K-12 special education cost or preschool special education depending on the grade level of the specific student. Also special education tuition payments for K-12 students for non-collaborative programs offered by public schools need to be split between eligible and ineligible cost based on the % shown on the invoice as allowable cost. For example, if a special education student's IEP included attendance at a non-collaborative program with a tuition rate of \$20,000 for the year with a % allowable of 94.3%, then \$1,140 of the \$20,000 tuition bill would need to be recorded as an ineligible cost and the rest as eligible.

Once the invoice has been approved for payment, a copy of the invoice with the student's names needs to be made before the names are redacted on the original. The copies are to be kept in a confidential file so that they are available for audit purposes.

F. Requirements for Other Invoices

All other invoices need to have a clear description of what is being purchased whether it is supplies, equipment, training or mileage reimbursement to name just a few. For equipment or

supplies, the invoice needs to show the delivery date. Also there should be a purchase order that describes how the items being purchased relate to special education. For mileage reimbursement, the purpose of the mileage should be described. If all of the travel relates to the same function such as travel between buildings to provide services in different locations, then a general description can be used for the whole mileage claim. If the travel relates to different functions on different days, then the claim needs to state the description for each day. Also if the travel is actually for transporting students, then the students being transported needs to be indicated for each date.

It is important to have invoices that clearly document what is being provided. Each invoice should show how it relates to special education or special education administration. It is acceptable to have purchase orders provide some of the explanation for training expenses or supplies. However, any cost that is eligible only because it is being provided to an individual student in accordance with his/her IEP must include of the name(s) of the specific student(s).

XI. Special Education Tuition and Excess Cost Revenue from Other School Districts

In addition to tracking expenditures that qualify as K-12 allowable special education cost or preschool special education costs, each school district needs to track the revenue from other school districts for special education costs – either tuition or excess cost revenue. Each school district needs to show all tuition and excess cost revenue in Part II of the Special Education Expenditure Reports that relates to costs included in Part I of the report.

The revenue that should be shown includes:

1. Excess cost revenue that relates to special education costs reported. If the school district accepts tuition students from other school districts, then the district can charge for special education services following the excess cost procedures. The revenue received for special education services needs to be reported as long as the special education costs have been included on the report.
2. Tuition for non-collaborative special education programs for special education students needs to be divided between what is eligible and what is ineligible. If the tuition was calculated as 94.3% allowable, then any amount received is split 94.3% as eligible and 5.6% as ineligible.

XII. Staff Documentation Requirements for Federal Funds

The staff documentation requirements in Sections I – IX above relate to documentation required for staff whose salary and benefits are reported as K-12 eligible cost on the Special Education Expenditure Reports. There are additional requirements for staff charged to federal funds. The department requested that the federal government allow Vermont school districts to use the time studies as staff documentation for IDEA-B grants. The federal government denied the request stating that the two week time span was not a sufficient size sample on which to base the year. Therefore, school districts need to keep the same documentation for staff charged to IDEA-B funds as to other federal grant funds. The documentation required for federal grants does not replace the time study or core staff documentation.

A. Federal Requirements

The following are the components of the federal requirements for staff documentation under OMB Circular A-87:

1. Single Federal Award or Cost Objective

Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

2. Multiple Activities or Cost Objective

Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency.

3. Personnel Activity Reports

Personnel activity reports or equivalent documentation must meet the following standards:

- (a) They must reflect an after the fact distribution of the actual activity of each employee,
- (b) They must account for the total activity, for which each employee is compensated,
- (c) They must be prepared at least monthly and must coincide with one or more pay periods, and
- (d) They must be signed by the employee.

(e) Budget estimates or other distribution percentages determined before the services are performed do not qualify as support for charges to Federal awards but may be used for interim accounting purposes, provided that:

- (i) The governmental unit's system for establishing the estimates produces reasonable approximations of the activity actually performed;
- (ii) At least quarterly, comparisons of actual costs to budgeted distributions based on the monthly activity reports are made. Costs charged to Federal awards to reflect adjustments made as a result of the activity actually performed may be recorded annually if the quarterly comparisons show the differences between budgeted and actual costs are less than ten percent; and
- (iii) The budget estimates or other distribution percentages are revised at least quarterly, if necessary, to reflect changed circumstances.

B. Cost Objectives for Special Education

The type of documentation depends on whether the employee is working “for a single federal award or cost objective.” If all of an employee’s time is spent performing activities allowable under a single federal award, then all of his/her salary and benefits could be charged to one federal grant award and the staff documentation could be in the form of certification. However, the term “cost objective” needs to be understood to decide in many cases whether a staff member is working under a single cost objective. Our department web site provides this guidance:

As a rule of thumb, when an employee is working on a single cost objective, it is clear that either one of the funding sources could legitimately be used to pay for 100% of the activity.

When considering the cost objective definition for special education, we need to keep in mind that State funding has two very separate systems – one for special education for grades K-12 and a separate one for special education for preschool children ages 3 through 5. The federal funding for special education is under two grants – IDEA-B Basic is for eligible students ages 3-21 (with child find for ages birth to 21) and IDEA-B PreSchool is for eligible children ages 3 through 5. So if a staff member is funded through a combination of federal and state funds and the employee serves both preschool and K-12 students, it is not one cost objective and a certification can not be used for staff documentation.

Also the K-12 costs eligible under the state funding formula have been relaxed over time to allow flexibility to serve non-special education students through core staff time or under the small group rule. The federal regulations allow some measure of flexibility – allowing one or more non-disabled children to benefit from special education and related services provided to a child with a disability in accordance with the child’s IEP. Although the federal government has provided no guidance by what this means, the department is interpreting that to mean that services allowed as

K-12 eligible cost under the small group rule would also be eligible under IDEA-B. The department does not interpret this to include staff time allowed under the core staff rule as that could involve serving all non-special education students or for serving a group in which the majority of students are not special education. We also have only interpreted this to apply to mainstream special education services - specifically specialized instruction and speech and language services offered by the school district's special education staff during the school year. So an employee with core staff time who has salary charged to IDEA-B is almost certainly working under multiple cost objectives and would need to document his/her time through Personnel Activity Reports.

The other issue is that while core staff and the small group rule are allowed for school year services for K-12 students, they do not apply to extended school year (usually summer) services. The cost charged to special education for extended year services needs to be just the cost for special education students receiving IEP services. First the service needs to be considered a special education service which means it needs to be provided or supervised by a special educator or an appropriately credentialed related service provider. Also if services are provided in a group, then only the portion of special education services relating to students requiring the services based on their IEPs can be charged to special education. For this reason, it is recommended that all summer services be documented using Personnel Activity Reports.

Another issue is that there are funds within IDEA-B grants that are limited and therefore must be tracked separately as those funds have specific limits. This is the case with early intervening funds which are limited to 15% of the year's allocation and the services for parentally placed students that has a specific amount calculated. So if a staff member who is 100% charged to IDEA-B has any time spent providing early intervening services to non-special education students or provides services to parentally placed students in accordance with their services plans, he or she must do to Personnel Activity Reports.

The chart below shows service types that could be considered special education cost objectives. Some of the cost objectives are chargeable to both State and Federal funding while others can only be charged to State funding. So if an employee's work falls under a single cost objective in the following chart, their staff documentation for federal funding can take the form of a certification. However, if the staff member is working under two cost objectives and is partially

charged to federal funds, then their staff documentation needs to take the form of personnel activity reports. Of course, if the staff member's salary and benefits are charged to two different federal programs such as IDEA-B and Title I, this is considered two cost objectives and the documentation must take the form of personnel activity reports.

Special Education Cost Objectives

Employee and Work Performed	Cost Objectives	Funding Sources
Special educator, assistant or related service provider performing special education services or special education evaluations for K-12 students during the school year with no core staff time	K-12 Special education	State Funding formula or IDEA-B Basic grant
Employee providing services in accordance with EST or 504 plan to non-special education K-12 students during the school year under core staff time (unless charged to regular education)	K-12 sped formula eligible (core time)	State Funding formula
Extended school year services provided by special educator, assistant, or related service provider for K-12 students per IEPs or if provided to a group, cost is prorated on a per pupil basis (no core staff or small group rule) and only the portion relating to IEP services is considered special education	K-12 Special education	State Funding formula or IDEA-B Basic grant
Special education and related services to parentally placed students in accordance with services plans	Services to Parentally Placed students	Proportionate share portion of IDEA-B Grants
Early intervening services for non-special education student K to 21 (emphasis on K-3) as defined by 613 (f) of the IDEIA	Early Intervening Services	Early Intervening budget items in IDEA-B Grant
Special educator or assistant performing special education responsibilities for EEE students, or if provided to a group, cost is prorated on a per pupil basis and only the portion relating to IEP services is considered special education	EEE – PreSchool Special education	State EEE grant, IDEA-B Basic or PreSchool Grants
Special education staff performing Child Find for children birth to 3	ITP – Infant and Toddlers with disabilities	IDEA-B Basic Grant, State EEE grant, Education Spending

C. Certifications

As noted above, what constitutes a cost objective in special education has been complicated by the difference in what is allowable in the State funding system compared to the federal and the subdivisions within the IDEA-B grants. A certification can not be used any time that the staff person is paid from IDEA-B funds and another federal source such as Title 1. Also, a certification can not be used if the special education staff person is paid from federal funds and also doing work that is only allowed using core staff time. Also, even if a staff person is 100% charged to IDEA-B, he/she can not use a certification if he/she is providing early intervening services or providing services to parentally placed students.

If a special education staff member meets one of the four categories below for his/her school-year work, he/she can document time through certifications:

- (1) provide only special education services (no core staff time or early intervening services) and/or special education administration for students ages 3 - 21 and paid 100% from IDEA-B Basic grant funds with no proportionate share funds (However, there needs to be some kind of documentation to base the breakdown to costs between preschool and K-12 for the Special Education Expenditure Report.);
- (2) provide only special education services and/or special education administration for only special education students ages 3-5 and/or child find for ages 3-5 and paid 100% from a combination of IDEA-B Basic and PreSchool grant funds;
- (3) provide only K-12 special education services (no core staff time or early intervening services) and/or K-12 special education administration and paid at least partially from IDEA-B Basic grant funds and the rest as K-12 special education with no services to parentally placed students; or
- (4) provide only EEE services and/or preschool special education administration and paid at least partially from IDEA-B Basic or PreSchool grant funds and the rest from State EEE grant or Education spending funds.

If the employee is performing any non-special education work which includes any time that is only allowable as core staff time, then semi-annual certifications can not be used for the federal staff documentation. Also if the employee is performing K-12 and EEE services and paid from multiple funding sources, then the semi-annual certifications can not be used. Any employee who is providing special education and related services to students on IEPs as well as parentally placed

students in accordance with a services plan can not document their time through semi-annual certifications as their time performing special education and related services required by the students' services plans must be tracked.

The following page shows a sample completed time certification.

1. Period Covered - The federal requirement for certifications is to be done at least semi-annually. For staff employed year round, it is allowable to have semi-annual certifications and have two, each of which covers half of the year – July 1 through December 31st and January 1 through June 30th. However, for staff employed on school year contracts, it is recommended that the certifications be done on a semester basis. So for a special educator working the school year, a certification would be done for each semester at the end of the semester. For staff with school year contracts, the semi-annual certification is not appropriate for summer services because summer activities are different from school year services. For extended school year or summer services, the personnel activity report is preferred and that form can serve as a time sheet to verify time worked for payroll purposes as well as the staff documentation needed for the federal grant.
2. Description of the work performed that falls under the grant award needs to be shown on the certification. Please note that there is a written description of the work being performed on the sample. The wording used can be taken from the wording on the IDEA-B grant budget item that lists the individual staff person's salary. It should indicate the services that the person will be providing and whether the services are for preschool students, K-12 students or both ranges i.e. ages 3-21.
3. Employee signature is required on the certification. The supervisor's signature is also recommended.
4. Timing for Completion - The certification must be done soon after the period covered by the certification. It can not be done prior to the completion of the period as the employee can not certify what work they will be doing – only the work that they have actually done.

FEDERAL TIME CERTIFICATION FOR STAFF
PAID FROM SINGLE FEDERAL GRANT OR SINGLE COST OBJECTIVE

To: Federal Grant File – IDEA-B Basic

From: Janis Jackson

Date: January 18, 2008

Subject: Certification for Staff Charged to Grant

In accordance with OMB Circular A-87, Attachment B, Section 8 (h) 2, this is to certify that the employee listed below performed the following responsibilities (include an indication of students served by grade levels and type of plan if applicable):

Special Education services for K-12 students per IEPs, related case management and administration and special education K-12 evaluations

and his/her salary and benefits were charged to the federal grant as indicated below:

Employee: Betty Brown

Employee's Position or Title: Special Educator

Employed: X Full Time
 Part Time - Hours per week

Employer (School District or Supervisory Union): City Elementary School

Period Covered by Certification (Indicate Dates of School Semester for School Year Staff or Semi-Annual Period for Full Year Staff):

Beginning Date August 28, 2007

Ending Date January 18, 2008

Federal Grant Charged to: IDEA-B Basic Flow Through

Account #: 26-211-01-1200-100/200-08

SIGNATURES

Employee's Signature: Betty Brown

Date: Jan. 29, 2008

Supervisor's Signature: Janis Jackson

Date: Jan. 31, 2008

Grant's Manager: Michael Manager

Date: 02-01-2008

D. Personnel Activity Reports

All staff charged to federal funds, who do not fit the criteria for documenting their time through certifications, must document their time using personnel activity reports. This after- the-fact documentation is required for any period that the staff person’s salary and benefits are charged to federal funds. This documentation is required for staff charged to multiple federal grants and is recommended for any staff providing extended school year services.

The personnel activity report “must reflect an after the fact distribution of the actual activity of each employee” and “must account for the total activity for which each employee is compensated.” The employee needs to record the total amount of time they worked as well as the amount of time that is spent performing activities that can be charged to federal grant funds. This can be incorporated into a time sheet showing the amount of time worked each day for each cost objective and totaling to the total hours worked.

For example, assume that Sally Smith is a Speech and Language Pathologist who works for a school district providing services to the preschool program on Tuesday and Thursday mornings which was charged to IDEA-B PreSchool grant funds. The rest of her time was spent providing K-12 services charged to special education funding formula except for one hour IEP meeting on Friday for a newly eligible preschool student. Her personnel activity report for the week would look like:

Employee Personnel Activity Report/Time Sheet					
Employee:	Sally Smith				
Position:	Speech/Language Pathologist				
School District:	City Elementary School				
Period Covered:	September 24-28, 2007				
The following shows the hours worked each day for each function. Minutes are shown as decimal equivalents – i.e., 0.5 hours equals 30 minutes; 0.25 – 15 min.					
Function:	Monday	Tuesday	Wednesday	Thursday	Friday
IDEA-B PreSchool Special Education		4.5 hours		4.5 hours	1.0 hours
K-12 Sped Formula Eligible	6.5 hours	2.0 hours	7.5 hours	2.0 hours	5.5 hours
Employee Signature:	Sally Smith				

E. Charging Costs to Federal Awards

The personnel activity reports need to be retained along with other documentation for the federal grant. The salary and benefit charges to the federal grants need to be recorded as the expenses are incurred. At the beginning of the school year, the salary and benefits of individual staff members may be set up to be charged to grants based on the work the staff member is expected to perform. However, adjustments to reconcile the actual time spent on the federal program must be done at least quarterly to bring the actual charges in line with the personnel activity reports. The journal entries used to adjust the salary and benefit charges to actual time worked need to have detailed backup showing how the calculation was done.

Please note it is not acceptable to use end of the year journal entries to transfer costs to federal grants as a general procedure. The costs need to be charged as they are incurred with end-of-year entries reserved for making final adjustments to keep expenditures within budgeted amounts or to recode expenses that were missed at the time of payment.

F. Retention of Staff Documentation and Accounting Records for Federal Grants

The record retention requirement for federal grant documentation is five years.